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Report of the Secretary-General on the United Nations Mission of Support in East Timor

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1410 (2002), in which the Council decided to establish, as from 20 May 2002 for an initial period of 12 months, the United Nations Mission of Support in East Timor (UNMISET). In paragraph 13, the Security Council requested the Secretary-General to keep it closely and regularly informed of progress towards implementation of the resolution, including, in particular, progress towards achievement of the milestones in the mandate implementation plan. In resolution 1480 (2003), the Security Council extended UNMISET for a further 12-month period until 20 May 2004.

2. In my special report on UNMISET of 13 February 2004 (S/2004/117), I indicated that, notwithstanding the significant progress that had been made since UNMISET's establishment, Timor-Leste would continue to require international support in a number of areas to reach a threshold of self-sufficiency. In this context, I recommended the extension of UNMISET, in a reduced size and with a modified mandate, for a further one-year consolidation phase beyond the conclusion of the present mandate on 20 May 2004.

3. The present report reviews the activities of UNMISET since my last report, and further develops my proposals for UNMISET's consolidation phase.

II. Recent political developments in Timor-Leste

4. During the reporting period, several important steps were taken towards preparation for Timor-Leste's first elections since the country's celebration of its independence on 20 May 2002. On 10 February 2004, President Gusmão promulgated a village elections bill that provided for the establishment of the National Electoral Commission, which was sworn in on 19 March 2004 by the President of the National Parliament. On 26 March, the President signed a bill regulating political parties. On 1 April the President also signed a decree-law defining the roles and functions of the village heads and councils, which completes the legal framework for these elections. It is planned to hold the elections during the last quarter of 2004. The elections will pose a significant logistical challenge for the Government, particularly with regard to voter registration, which is currently

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scheduled to begin on 31 May 2004, with final voter lists to be published on 20 September; significant bilateral assistance will be crucial for their success.

5. Further, significant progress has also been made towards the adoption of legislation for key public institutions, as identified in my special report. The National Parliament adopted the Civil Service Act on 19 April and the Organic Law on the Office of the Presidency on 20 May. The adoption of the latter legislation should pave the way for progress towards establishment of two other constitutional bodies, the Superior Council of Defence and Security and the Council of State. The Parliament is also currently considering a bill related to the Provedor for Human Rights and Justice, an independent institution which could make an important contribution to supporting good governance and civil rights, as well as one related to commercial enterprises. On 15 April the Council of Ministers approved a government resolution on the Organic Structure of the Interior Ministry, after it was considered by the Inter-Ministerial Commission on Internal Security. However, the organic law on the Policia Nacional de Timor-Leste (PNTL), also referred to the Commission, has yet to be approved. It is urgent that further progress be made in that area, which will have a crucial impact upon the development of Timor-Leste's police, and upon the international community's ability to support that process.

6. A defence act and acts related to the establishment of other constitutional bodies with security responsibility are in various stages of preparation and consideration. Their enactment, following the necessary consultation, is vital for the long-term viability and sustainability of Timor-Leste's security structure. Furthermore, as emphasized in my previous report, it is essential for the effective maintenance of law and order that a basic level of clarity concerning the roles of Timorese police and armed forces, particularly with regard to back-up arrangements for support to the civil power, be established in advance of 20 May. On that date, Timor-Leste will assume full responsibility for internal and external security of the country, and UNMISET's role would be reduced to one of support only in exceptional circumstances.

7. The need for progress in clarifying Timor-Leste's security policy and structure is also apparent from preliminary findings emerging from reviews of the 25 January 2004 incident in Los Palos, where members of the Timorese armed forces (F-FDTL) became involved in a confrontation with the PNTL. Three separate inquiries have been established: an Independent Commission of Inquiry headed by President Gusmão, a criminal investigation led by the Prosecutor General, and an internal inquiry. Initial indications from these reviews suggest that the F-FDTL is confronted with a number of serious institutional problems, including a poorly understood definition of its role, low morale, uncertain respect for discipline and authority, insufficient training of personnel, and unresolved relations with former combatants.

8. The contribution of former combatants was the subject of a study by the Veterans Commissions, whose mandate, under the authority of the Office of the President, concluded on 31 March. Release of its report, which will take place in the near future, may help address former combatants' desire for recognition. However, the list of those identified may not include all those who believe that they should be recognized. Only four applications from women were received and the Commission's concentration on the formal armed structures will probably mean that few, if any, women will be included in the final lists. Furthermore, it is not clear that

the recommendations would address expectations of material benefits on the part of applicants.

9. Regardless of progress made towards establishing legal and institutional frameworks, promotion of a culture of free political dialogue will remain essential for the Timorese nation to derive full benefits from the democratic institutions and procedures that are being established. In this connection, the importance of greater clarity concerning the activity that is permissible for public servants, and of clear and transparent disciplinary procedures, was highlighted by events surrounding a 6 March public rally that was convened in Suai by supporters of one of Timor-Leste's opposition parties. Following their participation in the rally, a number of civil servants and several police officers have faced investigations and various disciplinary actions, measures which have been questioned in the press and elsewhere.

10. More recently, some tensions have arisen following an immigration-related operation by Timorese police (PNTL), beginning on 8 April, in a mosque in Dili. It is essential that all efforts to ensure observance of necessary administrative procedures take full account of the humanitarian and other implications of such actions.

11. The development of relations between Timor-Leste and Indonesia continued to benefit from commitment to cooperation at the highest political levels. However, finalization of an agreement on a border line has remained elusive. Renewed political engagement by the leadership of both countries appears essential to advance in this area, which is of fundamental importance for the countries to enjoy security along their common border once international forces have withdrawn. Significant technical work has been completed, as reflected in preparation of an interim report of the Joint Border Committee, for which further input is expected from Indonesia. Nonetheless, for this technical process to support progress, it must benefit from a clear and narrow definition, through political discussions, of outstanding issues.

12. Political engagement is also necessary for the swift conclusion of arrangements for management of the border, including in the areas of cooperation on security and regulation of economic activity, and for implementation of agreements on the issuance of border passes and the establishment of a transit facility linking Oecussi with the rest of Timor-Leste, measures that are essential for economic and humanitarian reasons.

13. Efforts continued to address the problem of the former refugees remaining in camps in West Timor, on the basis of cooperation between the Governments of Indonesia and Timor-Leste, supported by the Office of the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM). A five-point strategy proposed by UNHCR and agreed by both Governments resulted in the relocation in the second half of 2003 of some 12,000 former refugees from camps to other areas of West Timor where they can more easily integrate in a sustainable manner, leaving a caseload of 16,000 remaining in West Timor. Less than 100 former refugees returned to Timor-Leste in the first three months of 2004, suggesting that the majority of these persons have decided, at least for the moment, to remain in Indonesia. Furthermore, despite significant progress in the reunification of Timorese children separated from their families in 1999, nearly 300 unresolved cases still demand attention.

14. In its resolution 1410 (2002), the Security Council stressed the critical importance of cooperation between Indonesia and Timor-Leste, and with UNMISET, to ensure that those responsible for serious crimes committed in 1999 are brought to justice. The serious crimes process under way in Dili represents an essential means by which to ensure that those guilty of such crimes should face justice, in accordance with the priorities of the Security Council. It is imperative that this process receive the fullest cooperation and support from all Member States.

15. The second round of negotiations on the maritime boundary between Timor-Leste and Australia began on 19 April 2004. Further talks are scheduled for September 2004. Progress in this area is crucial to permit full development of the petroleum and natural gas resources in the region, and to ensure appropriate and mutually agreed sharing of the benefits that result.

III. Contribution of the United Nations: achievements to date and proposals for assistance during the consolidation phase

A. Role of the Mission

16. Since the issuance of my special report, UNMISET has continued to work closely with the Government of Timor-Leste to support the development of its capacity and policies. At the same time, Timor-Leste's remaining requirements have become increasingly clear during the reporting period, and plans for peacekeeping support after 20 May 2004 have been further elaborated, building on the outline provided in my special report.

17. Based upon planning to date, it is proposed that UNMISET would be extended for a further one-year consolidation phase, in a reduced size, to discharge a modified mandate. As described in my special report, this mandate could comprise the following elements:

(a) To provide assistance to core administrative structures critical to the viability and political stability of Timor-Leste, and to the justice system;

(b) To contribute to the continuing development of the national police;

(c) To contribute to the maintenance of security and stability in Timor-Leste.

18. Internationally accepted human rights principles would continue to form an integral part of all advisory and capacity-building activities carried out in the consolidation phase.

19. UNMISET would support efforts by the Governments of Timor-Leste and Indonesia to resolve pending bilateral issues and support their cooperation, in particular their efforts to complete border demarcation and to develop appropriate mechanisms for the management of the border regions, and to ensure that those responsible for serious crimes in 1999 are brought to justice.

20. UNMISET would be headed by my Special Representative, whose office would include the units usually required in multidimensional peacekeeping operations, as well as advisers on gender affairs and HIV/AIDS, and a human rights capacity. The Mission would include a civilian component, a police component and a security component of formed units, as described below. Its work would be

organized within three broad programmes, corresponding to the three main areas of its mandate. These would be: support for the public administration and justice system, and for justice in the area of serious crimes; support to the development of law enforcement; and support for the security and stability of Timor-Leste.

21. These proposals would provide crucial assistance to allow Timor-Leste to reach a critical threshold of self-sufficiency, as noted above. However, they cannot do so alone. The progress that can be made will depend upon the readiness of the Timorese leadership to take full advantage of this short-term assistance, by making related practical and policy decisions in a timely manner. Nor will these measures suffice to ensure lasting gains; real progress will depend upon complementary bilateral support, both during and after this one-year consolidation phase.

22. Further detail regarding each of these programmes is provided below, in the context of an assessment of recent developments and current requirements.

Programme I
Support for public administration and justice in Timor-Leste

1. Support to the public administration and justice system

23. During the reporting period, Timor-Leste's civil servants have continued to increase their skills, and the structure of the public administration has been further developed. Recruitment and training of staff have continued, and civil servants themselves have been eager to assume and discharge their functions. UNMISET's 70 civilian advisers continue to assist in the development of the public administration, and have promoted the sustainability of skills transfer by preparing a variety of manuals and modules, and by training a limited number of Timorese trainers.

24. However, the speed of progress is limited by the complexity of the skills that are being imparted, and by the time required for the political discussions associated with development of these national institutions. As reflected above, key legislation is still in the process of adoption, in turn delaying preparation of regulations governing these institutions. Further assistance will be crucial to support the continued strengthening of Timorese capacities and the formulation of policy frameworks, and to ensure the country's stability and effective functioning during this process. This is particularly urgent in those areas that are critical to short-term stability and long-term sustainability, such as the Ministries of Finance and Interior, and the Office of the Secretary for Defence. Likewise, assistance will be essential for the establishment and operation of the Office of the Provedor, which would play a key role through its advocacy and oversight functions.

25. At the same time, grave problems within the system for the administration of justice have continued, with courts outside Dili inoperative for most of the time, reflecting extremely limited judicial and legal capacities. These inadequacies have serious implications for human rights, and the confidence of the Timorese people in the rule of law. Prisons legislation, which is awaiting approval by the Council of Ministers, would establish an internal oversight mechanism, an advisory board, and a code of conduct for prison staff. While some progress continues to be made through a programme for strengthening the justice system that is supported by the

United Nations Development Programme (UNDP), further assistance is essential to allow the system to function at even a basic level.

26. As proposed in my special report, the present configuration of 70 civilian advisers would be replaced after 20 May 2004 with a smaller group of 58 civilian advisers, with appropriately adjusted roles and skills. The objective of the civilian adviser component during UNMISET's consolidation phase would be to help Timor-Leste cross a critical threshold of self-sufficiency, in terms of formulation of necessary policy frameworks and development of key skills, while helping to ensure that essential tasks are discharged. This would include 19 advisers in the area of finance, 16 in other key ministries, including those related to security, and 8 within other organs of government. It would also include 15 advisers in justice-related areas, including 7 acting judges and judge mentors, who would help to promote the functioning of the court system, including within the districts and to reduce the backlog of pending cases, while supporting training of Timorese counterparts.

27. These advisers would assist in development of the necessary legal and regulatory frameworks and standard operating procedures; train Timorese counterparts; and assist with crucial tasks where necessary. Where further assistance or training is likely to be required after this year has concluded, advisers would help to identify sources of bilateral or multilateral assistance, in good time, for continued support. Terms of reference for all these positions have been prepared by State institutions, in consultation with UNMISET, and a provisional recruitment exercise for the advisers has already begun, pending approval of these proposals, to avoid undue loss of time.

28. For full advantage to be derived from the presence of this expertise, it will be essential that the leadership of Timor-Leste take the necessary steps to identify Timorese counterparts as soon as possible, particularly in the critical areas of customs, banking and payments authority, and the treasury; and to ensure that the necessary administrative arrangements are in place to allow the international advisers to assume their functions. Similarly, political commitment to rapid adoption of relevant legislation, in particular the organic laws of various state institutions, is essential if Timor-Leste is to make real progress in preparing institutional policy frameworks.

29. Beyond these 58 core positions, which target those areas that are most critical for the continuing stability and viability of the State, significant additional assistance will be required for other important elements of the administration to function and to develop. As noted in previous reports bilateral and multilateral support has proven unpredictable in its timing and availability, but it has made an important contribution whenever it has materialized.

30. In this context, Timor-Leste has identified to date a further 99 positions for financing by donors through UNDP. This list, coupled with direct agreements between the Government and bilateral donors, would replace the list of 200 posts where both multilateral and bilateral assistance had been sought during the first two years after 20 May 2002. This list would be presented at the conference of development partners in Dili which is currently scheduled to take place on 19 May 2004; its full consideration by the international community will have an important impact on the Timorese Administration's attainment of basic proficiency. Both the advisory positions that would be supported through UNMISET and the additional list of positions for support through UNDP fall within an overarching strategy for

strengthening the civil service, with a view to promoting coherence and efficiency among assistance efforts.

2. Support for justice in the area of serious crimes

31. The prosecution and trial of those accused of serious crimes has continued during the reporting period, with support from UNMISET. Results include completion of a trial resulting in one conviction and one acquittal; guilty pleas in three additional cases; and withdrawal of charges in yet another case. Overall, since the beginning of the serious crimes process, a total of 52 individuals have been tried by the Special Panels, with 50 convictions and 2 acquittals. Fifteen trials involving 35 accused present in the country are currently ongoing or pending before the Special Panels, and activity at the trial and appellate levels is expected to increase.

32. The investigative and indictment phase is already complete with regard to the 10 priority cases, as referred to in previous reports, but some investigations continue, notably including investigations of the killing of local United Nations staff during the popular consultation, for which at least one additional indictment is expected. One additional indictment was filed during the reporting period, bringing the total number of indictments filed to date to 82 and the total number of indictees to 369.

33. Provision of support for a further year for justice in the area of serious crimes is essential to reinforce the principle supported by the Security Council that those guilty of perpetrating serious crimes shall not enjoy impunity, as expressed inter alia in its resolutions 1272 (1999), 1319 (2002) and 1338 (2001). It would also reduce the risk of actions being taken outside the judicial process, which could otherwise have a destabilizing effect, and help to promote Timorese confidence in the rule of law.

34. This would entail continued provision of international support through UNMISET for both prosecution and defence and for the Special Panels for serious crimes. With a view to ensuring that the limited time and resources available are used to the best possible effect, assistance provided through UNMISET during this additional year would be focused on completion of investigations of the most egregious cases of violence, and bringing about the orderly and successful conclusion of pending cases, particularly the 10 "priority" cases, as well as of a very limited number of additional cases that may be presented to the Special Panels. This strategy would require reallocation of some resources from investigative activity in order to further support the timely completion of litigation at the trial and appellate levels.

35. However, the scale of the violence that took place, and the complex nature of the investigative and legal proceedings involved, suggest that this additional year of assistance may not be able to fully respond to the desire for justice of those affected by the violence in 1999. As this process advances, the international community may wish to give further consideration to additional measures that could advance the realization of justice.

36. The great majority of indictees are believed to be outside Timor-Leste. As noted above, it is essential that full cooperation be extended to the serious crimes process by all Member States.

37. The Commission for Reception, Truth and Reconciliation held final hearings during the reporting period. From 15 to 17 March, the Commission held a public hearing on self-determination and the international community. Speakers included my former Special Representative during the United Nations Mission in East Timor (UNAMET), Ian Martin, and civil society representatives from a number of countries. From 29 to 30 March, the Commission held two days of public hearings into the experiences of children during the conflict. The Commission has now closed its regional offices and is focusing its resources on completion of its final report, to be presented in October 2004, and development of recommendations for follow-up work. Continued support for the work of the Commission can make an important contribution towards lasting reconciliation in Timor-Leste.

Programme II
Support for the development of law enforcement in Timor-Leste

38. Development of the PNTL, which as of 1 April comprised 3,021 trained police officers and 26 civilian support staff, has continued to advance during the reporting period. The PNTL continues to undertake routine policing throughout the country, and is progressively assuming additional management responsibilities in a phased manner, although overall executive authority remains with UNMISET until 20 May. Police advisers have continued to mentor the PNTL in all districts, and UNMISET's 125-member police anti-riot unit has remained available during the present mandate period to respond to any major civil disturbances in urban areas, thus enabling Timorese counterparts to engage in further training. UNMISET's support for the PNTL's development has also continued to be complemented by a number of bilateral training efforts.

39. The PNTL's special units have continued to enhance their skills and capacities during the reporting period. The Timorese anti-riot Rapid Intervention Unit, which continues to receive training, appears to have attained an adequate level of capability. A new class of candidates for the Border Patrol Unit also completed basic training during the reporting period, bringing the strength of the Border Patrol Unit to 286. UNMISET police advisers present in all the border districts are co-located with the Border Patrol Unit officers and provide additional mentoring. Despite resources constraints, the Border Patrol Unit officers have continued to demonstrate a generally high level of motivation and a high level of cooperation with other local and international agencies. Less progress has been achieved towards preparation of the Rapid Deployment Service, which was conceived as a means to respond to particularly demanding security threats, including in the border area. Due to the fact that the necessary equipment has not been procured, training of the service has been recessed after completion of an initial phase, which focused on requirements to respect human rights and the code of conduct, and on limitations upon the use of force. Significant attrition took place during the programme, based on both voluntary withdrawals and failure to pass examinations.

40. Furthermore, the PNTL continues to suffer from a number of institutional weaknesses. These include limitations in terms of experience, legal and policy frameworks, logistical capability (particularly in the area of communications, where UNMISET support is required), and skills in resource management. At the same time, some fundamental problems referred to in my special report have continued to appear, with continuing, disturbing reports of excessive use of force, assault,

negligent use of firearms, criminal activities, corrupt practices and violations of human rights. Some recent measures that could help to address such problems include the extension of basic training at the Police Academy to six months, with significant human rights content in all courses and in-service training for all PNTL officers, while UNMISET has continued to provide further training in professional standards to PNTL officers even after their deployment.

41. Executive authority for policing will pass from the United Nations to the Government at midnight on 19 May. This will represent the culmination of the gradual handover and development processes referred to above, according to which the PNTL has steadily assumed greater responsibilities as its capacities have increased.

42. However, even after 20 May, further assistance would be essential to enable the PNTL to attain the requisite levels of professional and technical capacity, in accordance with international standards. In this context, it is proposed that, during the consolidation phase, UNMISET would support the PNTL's continued development through retention of a reduced police component, with appropriately adjusted functions, who would be deployed in Dili and in the districts of Timor-Leste. The role of UNMISET's police component would be transformed, following the handover of executive authority for policing, from a combination of operational and training duties, to a focus on mentoring and capacity-building. The current combination of 200 police advisers and a 125-officer anti-riot unit would be replaced by a smaller component of 157 police advisers, led by a senior police adviser. Police advisers would be co-located to the greatest extent possible with their PNTL counterparts and would support development of operational capability, including those of the special units, in addition to imparting skills in such specialized areas as counter-terrorism, investigations and forensics, and strengthening organizational and management capacity. All training and capacity-building efforts would seek to reinforce respect for human rights and the rule of law, in accordance with international standards of policing. Staffing levels of the component could be reviewed by the end of the year, to take account of evolving needs and developments on the ground.

43. The ability of this component to make a meaningful contribution to the long-term capacity of the PNTL will depend on related actions by the Timorese leadership, including progress in establishing key elements of its regulatory framework, such as the organic law for the police and oversight mechanisms and promulgation of the code of conduct; clear commitment to respect for the professional and non-political nature of policing; encouragement to PNTL officers to adhere to the highest standards of professional conduct, based on internationally accepted values; and demonstrated readiness to take swift and decisive disciplinary action when required.

44. Furthermore, this basic level of assistance would need to be complemented by continued bilateral and multilateral support. Planning is far advanced for significantly expanded bilateral support programmes, which can make a crucial difference, particularly if they continue to be closely coordinated with UNMISET's capacity-building efforts. As this assistance takes shape on the ground, the configuration of this component could be reviewed to ensure that all resources are used as efficiently as possible.

Programme III
Support for the security and stability of Timor-Leste

45. The security situation has generally remained calm and peaceful during the reporting period. However, reports of the presence of armed groups in western districts have persisted during the reporting period, although subsequent investigations have been inconclusive. The Tactical Coordination Line remains porous along a significant part of its length, and disputes between villages situated in its vicinity continue, as do illegal trade, hunting and crossings, and miscellaneous minor criminal activity. Relationships between the Timor-Leste PNTL and Indonesian border agencies remain tentative and require further development and consolidation.

46. In this context, security and stability have been promoted by regular patrolling activities throughout Timor-Leste by UNMISET's 1,750-member military component, which will remain at this strength until 20 May 2004. Visiting patrols, normally lasting for seven days, have continued every six to eight weeks in those districts where there is no permanent presence. The military component has also continued its efforts to transfer skills and knowledge to members of the F-FDTL and to encourage and assist the Border Patrol Unit in the execution of its border security management and patrolling tasks wherever possible.

47. As previously planned, Timor-Leste will formally assume full responsibility for maintenance of security and stability throughout its entire territory on 20 May 2004, two years after the celebration of the restoration of its independence, but the development of its security capability remains at an early stage. While Timorese armed forces may be able by that date to undertake limited response operations at company level, the ongoing reviews of F-FDTL capability noted above suggest considerable grounds for concern. These problems are compounded by the delay in training of the Rapid Deployment Service, which could in turn undermine the effectiveness and confidence of the Border Patrol Unit agents deployed along the Tactical Coordination Line. At the same time, as noted elsewhere, the respective roles and relationships of the various security agencies have yet to be clarified, codified by law and elaborated through regulation, before they can begin to be strengthened through practical experience of cooperation.

48. Any response to a security incident would be further complicated by logistical challenges. The current wet season has had a significant effect on the road network within Timor-Leste and engineering capabilities of the military component have been working to capacity to maintain mobility along major supply routes, particularly in the western districts. The capacity of the Government to maintain and improve the road network remains minimal and further deterioration of the road network is anticipated over the next 12 months following the withdrawal of the significant engineering capability currently provided by the military component.

49. Overall, developments during the reporting period reinforce the conclusion that during the consolidation phase, UNMISET should retain some residual security-related elements to support Timor-Leste's ability to maintain its security and stability, after handover of responsibility has taken place on 20 May 2004.

50. As reflected in my special report, maintenance of security in the region of the border would be promoted after that date by the deployment through UNMISET of 42 military liaison officers, almost entirely based in the area of the Tactical

Coordination Line. This military liaison group would facilitate contacts between Indonesian and Timorese forces, support demarcation efforts and monitor security-related developments.

51. In addition, it is proposed that, during the consolidation phase, UNMISET would retain a security force with two main elements. The first of these, as outlined in my special report, would be a component of some 310 formed troops, comprising an infantry company with air mobile capability and support. Second, taking account of increasing evidence of gaps in the Timorese security structure, it is proposed that UNMISET during the consolidation phase include an international response unit of 125 gendarmerie. These two components would work together closely to accomplish their respective tasks.

52. The military component would provide armed escort and protection, air mobility and land or air evacuation to military liaison officers or other United Nations personnel, and could draw upon the assistance of the international response unit if required. It would also conduct regular ground patrols, air-inserted patrols and aerial reconnaissance missions and would contribute to maintaining a calming presence within the community through civil military cooperation. It could also help to address key weaknesses in the Timorese forces by providing limited support in such areas as logistics, transportation, communications and information, to efforts by Timorese agencies to respond to major natural disasters or serious threats to security and stability.

53. It is envisaged that in exceptional circumstances the international response unit, with support from the military component as required, would respond to major security threats exceeding the capacity of Timor-Leste security agencies. That would be based upon case-by-case authorization by my Special Representative, who would consider specific requests from the Prime Minister, according to an agreed, clearly defined process and drawing upon input from UNMISET military and police. If authorized, temporary security responsibility for a specific area of operations would be formally transferred to UNMISET for the duration of any such deployment, and Timorese forces would be withdrawn from that specific, well-defined area. In addition to such operations, it would undertake preventive actions to promote public order, when so authorized by my Special Representative. The international response unit would be primarily deployed in the western districts, though a small proportion would be retained in Dili, to assist in the provision of security to United Nations premises and personnel there.

54. All elements of this international security presence, which would also include a small headquarters, would fall under the overall command of the UNMISET force commander. It would represent a small but capable, mobile and flexible force, and would allow the operation to help prevent or respond to major security threats. Its retention could have a calming effect on the local populace and reduce the risk of destabilizing incidents, at a time when the situation on the ground is potentially fragile, Timorese security capacity is limited, and many aspects of border management remain unclear. In addition, as appropriate, it could continue to transfer skills to Timorese security agencies and to promote cooperation between them. The requirement for all elements of this component would be reviewed towards the end of 2004, taking into account progress in all those areas.

55. It should be emphasized that during the consolidation phase, security assistance by UNMISET can only complement, rather than replace, Timorese

capability. The kinds of logistical support or security response described above would be authorized only in exceptional situations.

56. Furthermore, in authorizing operational activity, my Special Representative would evaluate the feasibility and appropriateness of the task involved, and would consider inter alia the security of UNMISET security personnel themselves. This would in turn be affected by the level of cooperation and mutual understanding of any Timorese security agencies in the vicinity. Thus, it is imperative that efforts be redoubled to achieve by 20 May a basic level of clarity that would favour assistance from UNMISET. While UNMISET has provided extensive support to aid the Timorese leadership in formulating an appropriate solution, this decision can be made only by the political authorities of Timor-Leste.

57. Likewise, it is essential that Timor-Leste and Indonesia take full advantage of the window of opportunity that would be provided by this additional 12-month period of international assistance to work effectively towards agreement upon arrangements for demarcation and management of their common border. Pending such an agreement, adoption of an interim arrangement could provide some basic clarity concerning the management of the border during the consolidation phase period. The authorities of both countries are currently considering a draft arrangement in this regard, based upon input from UNMISET.

58. As the respective roles and responsibilities of Timor-Leste's security agencies, including the F-FDTL, are defined, or as specific shortcomings are identified, bilateral support will be essential to ensure that they are in a position to assume their full responsibilities, without further assistance from an international presence, when the consolidation phase draws to a close in May 2005.

B. Role of the United Nations system

59. Limited revenue and widespread poverty within the country continue to pose severe constraints on Timor-Leste's social and economic development. Benefits from development of the country's mineral resources are materializing more slowly than had been hoped, owing to various delays and technical problems. The country's economy still benefits from little private-sector activity, and unemployment remains a serious concern, with particular challenges being posed by the need for social integration and gainful employment of veterans and former combatants. Further progress towards adoption of appropriate legislation and regulations related to commercial activity is essential to encourage additional investment.

60. It is apparent that further, substantial support from development partner countries remains indispensable to enable Timor-Leste to progress beyond its very difficult first years. The country's needs will be discussed in detail at the conference of development partners in Dili, on 19 May 2004. At a time of competing priorities, these requirements should be considered with full recognition of the fact that, just as is the case with Timor-Leste's security and stability, continued international support, although modest compared with what was provided earlier, can make a crucial difference in the sustainability of all that has been achieved.

61. Within the context of an uncertain economic situation, the activities of United Nations agencies, funds and programmes, together with the Bretton Woods institutions and development partner countries are playing an essential role in

Timor-Leste's long-term development, and will continue to do so during UNMISET's consolidation phase. This includes the financial support received through the World Bank, including the Transition Support Programme, which will amount to approximately $30 million in 2003-2004, or 30 per cent of the national budget. The Trust Fund for East Timor, which is administered jointly by the World Bank and the Asian Development Bank, has provided support for such projects as creation of rural power stations, road and drainage works, school construction, rehabilitation of marketplaces and community health centres, and vocational training.

62. Among the projects that support implementation of the National Development Plan are technical support and training provided in the health sector by the World Health Organization; support from the United Nations Population Fund for a national family planning policy and preparations for a first national census; and efforts of the United Nations Children's Fund to restore national capacity for vaccination and campaigns against polio and measles, and its support for educational development. During the reporting period, two major agriculture and infrastructure projects were supported through the RESPECT programme, which promotes employment for vulnerable groups. Continued progress has been made by International Labour Organization activities in the development of vocational skills and entrepreneurship projects, and in assisting the Government in establishing labour relations and dispute-settlement mechanisms. UNDP-led activities include a reforestation campaign and development of customs management systems. The World Food Programme continued to provide relief assistance to drought- and flood-affected families in 11 districts.

63. As I noted in my last report, continued and enhanced cooperation between UNMISET and the wider United Nations system of agencies, funds and programmes and the Bretton Woods institutions, as well as other bilateral actors and civil society, will be essential in the coming year. This would be reinforced during UNMISET's consolidation phase by the kinds of coordination mechanisms described in my special report.

IV. Financial aspects

64. As indicated in my special report on UNMISET of 13 February 2004 (S/2004/117), the General Assembly, by its resolutions 57/327 of 18 June 2003 and 58/260 of 23 December 2003, appropriated the total amount of $208.8 million for the maintenance of the Mission for the period from 1 July 2003 to 30 June 2004.

65. Should the Security Council decide to extend UNMISET as proposed in paragraph 68 below, I shall seek the necessary funding for the operation of the Mission from the General Assembly.

66. As at 31 March 2004, unpaid assessed contributions to the special account for UNTAET/UNMISET amounted to $70.6 million. The total outstanding assessed contributions for all peacekeeping operations at that date amounted to $1,226.1 million.

V. Observations and recommendations

67. The international community's peacekeeping activities in Timor-Leste have provided a window of opportunity for progress. By playing a key role in providing security, by facilitating the country's emergence from conflict and its political development, and by supporting the State's development, the international community has made a crucial contribution. The extraordinary progress that has taken place has permitted a swift downsizing in the international presence on the ground, and has left no doubt as to the momentum of transfer of responsibility to Timor-Leste.

68. Nonetheless, there is a limit to what can be achieved in so short a time. I therefore recommend extension of UNMISET for a further, one-year consolidation phase, to allow key tasks to be performed and to sustain, strengthen and build upon the gains made to date, thereby permitting Timor-Leste to attain self-sufficiency. During this year, the mission would include three broad programmes, as described above. The first programme, support for public administration and justice in Timor-Leste, would be advanced by UNMISET through provision of 58 civilian experts to the public administration and judiciary, and through continued assistance for justice in the area of serious crimes, at a level similar to the present, but with reallocation of some resources from investigative activity to promote timely completion of litigation at the trial and appellate level. The second programme, support for the development of law enforcement, would be advanced through retention of 157 civilian police advisers, under the leadership of a senior police adviser, who would undertake mentoring and capacity-building activities in Dili and in the districts. The third programme, support for the security and stability of Timor-Leste, would be effected through deployment of 42 military liaison officers, largely deployed along the tactical coordination line; retention of 310 formed military, including infantry, aviation and support; and deployment of an international response unit of 125 gendarmerie, who, with support from the formed military as required, would undertake preventive and response operations in exceptional circumstances, based on the authorization of my Special Representative. UNMISET's activities will be closely coordinated with those of the wider United Nations system and bilateral donors.

69. Over the past two years, the leadership of Timor-Leste has demonstrated an ability to work closely together to meet national challenges, and has maintained close cooperation with my Special Representative. Similar coordination and cooperation will be essential to enable the Timorese people to derive full benefit from this additional year of peacekeeping assistance. Certain immediate steps are crucial, including agreement on arrangements to permit civilian advisers to assume their functions, and selection of Timorese counterparts, as well as clarification of the precise responsibilities of Timorese security agencies on an interim basis. The Timorese leadership can lay the foundations for future progress by fostering a culture of political dialogue and debate, anchored in the values of human rights, tolerance and respect for the law, and by providing a firm legislative basis for the development of the machinery of the public administration, particularly in areas mentioned in the present report.

70. At the same time, partnership with other Member States is also crucial to success. In particular, the statesmanlike vision of cooperation that has been shown by the political leadership of Timor-Leste and Indonesia must find practical

expression through such steps as completion of agreement upon the land border, resolution of the problems of the refugees, and arrangements that allow for the social and economic requirements of the peoples on either side of the border to be met in a peaceful and orderly manner.

71. Furthermore, the possibilities for Timor-Leste's future political development and social progress are indissolubly linked with its economic prospects. Progress towards agreement between Australia and Timor-Leste for development of the mineral resources in the Timor Sea, in a mutually beneficial manner, through full commitment of the leadership of the countries involved, would make an essential contribution in this regard.

72. It must be remembered that the provision of support through peacekeeping can only meet the most urgent of the country's requirements. It must be complemented and built upon by bilateral and multilateral support, if real progress is to take place.

73. The extraordinary distance covered by Timor-Leste during the past five years offers occasion for pride, for the Timorese people above all, but also for the international community, which has done much to assist. It also gives grounds for hope and encouragement. Where so much has been achieved so quickly, there is good reason to believe that a further joint effort by the leadership of Timor-Leste and the international community will enable the Timorese people to reach the objective of a truly self-sufficient State that they have pursued with such determination.

74. In conclusion, I would like to pay a special tribute to the skilled and dedicated leadership of my Special Representative, Kamalesh Sharma, and to the exceptional efforts of the men and women of the civilian, military and police components of UNMISET, including the United Nations volunteers. Together, they have made an outstanding contribution to Timor-Leste's progress during the past two years.

Annex I

Programme I
Support for public administration and justice in Timor-Leste

Project	*Status as of May 2004*	*United Nations support in the consolidation phase*	*Timor-Leste action required*	*Member States' support required*	*Milestones to be achieved by May 2005 — Remaining requirements*
Assist Timor-Leste's public administration to cross a critical threshold of self-sufficiency, and to ensure that key tasks are discharged.	Civil Service Act and Organic Law on the Presidency approved by the National Parliament. Other critical legislation and policies, including organic laws of a number of State institutions, are at an early stage of development. Out of the total of about 13,082 budgeted positions, currently 11,352 or about 87 per cent are filled. 77.5 per cent of all mid-level positions are currently filled. Civil service has mastered basic skills, but international assistance continues to be required in key areas including finance, State administration and justice. Justice sector continues to suffer shortages of qualified personnel and limited infrastructure, leading to delays and illegal detentions.	Group of 58 civilian advisers would continue to strengthen and transfer skills to civil service and the justice system, through: Assistance in development of policies and regulations. Preparation of manuals and standard operating procedures. Training of Timorese trainers. On-the-job training. Formal in-country training programmes in general and specialized fields. Support to the Office of the Provedor, when established.	Timely adoption of necessary administrative arrangements to ensure full contribution of all civilian advisers, and identification of all Timorese counterparts. Significant progress towards adoption of relevant legal frameworks and organic laws, codes of conduct and human resources management rules, regulations, and operating procedures. Adoption of legislation for, and full establishment of, the Office of the Provedor for Human Rights and Justice. Further development of code of conduct for prison staff, prison oversight mechanism, establishment of National Corrections Commission and juvenile facility.	Provision of support for 99 positions identified for support through UNDP, in addition to bilateral support. Other bilateral training initiatives, including both short and long duration overseas programmes. Technical and other support from bilateral donors in areas highlighted by the Justice Sector Needs Assessment mission. Support to the Office of the Provedor, when established.	Timorese administration to pass critical threshold of self-sufficiency, with basic legislation and regulatory frameworks in place and public administration possessing skills necessary for core administrative and governance tasks. ***Some continuing requirements would remain for bilateral assistance; in particular, continued training or support in areas that demand highly specialized or technical skills.***

Project	*Status as of May 2004*	*United Nations support in the consolidation phase*	*Timor-Leste action required*	*Member States' support required*	*Milestones to be achieved by May 2005 — Remaining requirements*
Assist in bringing to justice those responsible for serious crimes committed in 1999, in accordance with the priorities defined by the Security Council in its resolutions 1272 (1999), 1319 (2000) and 1338 (2001).	A total of 82 indictments, including those filed in the 10 priority cases and in the 5 widespread patterns of violence, have been filed, involving 369 accused persons. 52 judgements to date (50 convicted of at least some charge and 2 complete acquittals), of which 47 are complete through appellate stage and 5 are on appeal. 15 cases in process at the Special Panels; 23 cases frozen due to the fact that 281 accused persons are outside the jurisdiction.	Operational and training functions of international investigators, prosecutors, judges and defence lawyers. Support for complementary Commission on Reception, Truth and Reconciliation process.	Timely consideration of new international judges to ensure the efficient and expeditious conduct of court proceedings. Support for complementary Commission on Reception, Truth and Reconciliation process.	Technical and other support from bilateral donors. Extradition of indicted persons to face justice. Support for complementary Commission on Reception, Truth and Reconciliation process.	Completion of investigation of United Nations staff killings and of a number of the most egregious crimes. Completion of all trials of those accused present in Timor-Leste. Completion of the great majority of cases at the appellate level. ***Additional measures may need to be considered to fully respond to the desire for justice of those affected by the violence in 1999.***

Annex II

Programme II
Support for the development of law enforcement in Timor-Leste

Project	*Status as of May 2004*	*United Nations support in the consolidation phase*	*Timor-Leste action required*	*Member States' support required*	*Milestones to be achieved by May 2005 — Remaining requirements*
Assist PNTL to attain the requisite levels of professional and technical capacity in accordance with international standards.	Timor-Leste to assume executive authority for policing as of 20 May 2004. 3,020 PNTL police officers trained and deployed out of the expected strength of 3,062; specialized units focused on crowd control and border patrol are trained and deployed. Basic skills are attained, but institutional strengthening is required, including ensuring effective and professional performance and imparting specialized skills. Training of Rapid Deployment Service recessed, based on lack of equipment. PNTL takes full ownership of institutional strengthening committee with progress on administrative and procedural issues.	Assist PNTL development through support, training, mentoring and advice by 157 police advisers; composition to be reviewed by end 2004, taking account of bilateral assistance.	Adoption of legislation to strengthen PNTL, including Organic Law for the police, and related measures such as implementation of code of conduct and establishment of disciplinary mechanisms and an oversight mechanism. Continued support PNTL's development as a non-political, professional service. Procurement of necessary equipment to allow Timorese agencies to play their established role.	Bilateral initiatives in support of institutional strengthening of PNTL. Provision of equipment and training for PNTL and for its special units. Development partners' support in key specialized areas, such as forensics, so as to enable PNTL to function as a viable and effective police force.	PNTL to cross critical threshold of self-sufficiency as an effective police service operating according to international standards. ***Ongoing bilateral assistance in terms of provision of training, technical support and equipment would be required for PNTL's advanced development.***

Annex III

Programme III
Support for the security and stability of Timor-Leste

Project	*Status as of May 2004*	*United Nations support in the consolidation phase*	*Timor-Leste action required*	*Member States' support required*	*Milestones to be achieved by May 2005 — Remaining requirements*
Support Timor-Leste's maintenance of its security and stability	Timor-Leste to assume responsibility for its security and stability as of 20 May 2004. Border negotiations ongoing. Respective responsibilities of Timorese security agencies in support of the civil power to be clarified, and appropriate capacity to be developed. F-FDTL may have basic capacity for company-level response.	Military component, including 42 military liaison officers, 310 formed military and 125-person international response unit (configuration and tasks to be reviewed by end of 2004) would complement Timorese security activity through: Promotion of regular contact at the operational and tactical level between Timorese and Indonesian border security agencies, logistical and technical support for completion of arrangements on the border, monitoring of security-related developments. Maintenance of a calming presence within the community. In exceptional circumstances, limited support in such areas as logistics, transportation, communication and information to Timorese agencies. On a case-by-case basis, operational response or preventive action, as authorized by Special Representative of the Secretary-General. Transfer of skills to Timorese security agencies as appropriate and promotion of cooperation between them.	Adoption of necessary policies and legislation to clarify responsibilities of Timorese agencies and provide a coherent security vision for Timor-Leste, in the overall national security framework and related practical decisions and steps. High-level political engagement towards completion of arrangements for delineation, demarcation and management of Timor-Leste's land border.	Close cooperation between Indonesia and Timor-Leste, based on continued high-level political engagement, to address outstanding security risks in the area of the Tactical Coordination Line, including resettlement of remaining refugees, and completion of arrangements for border demarcation and management. Bilateral support to development of Timorese security capabilities as required.	Security structures to cross a critical threshold of self-sufficiency in terms of definition of roles and basic skills; arrangements in place for border demarcation and management. ***Continued bilateral support for Timor-Leste's development of its security capabilities and for border demarcation, as required.***

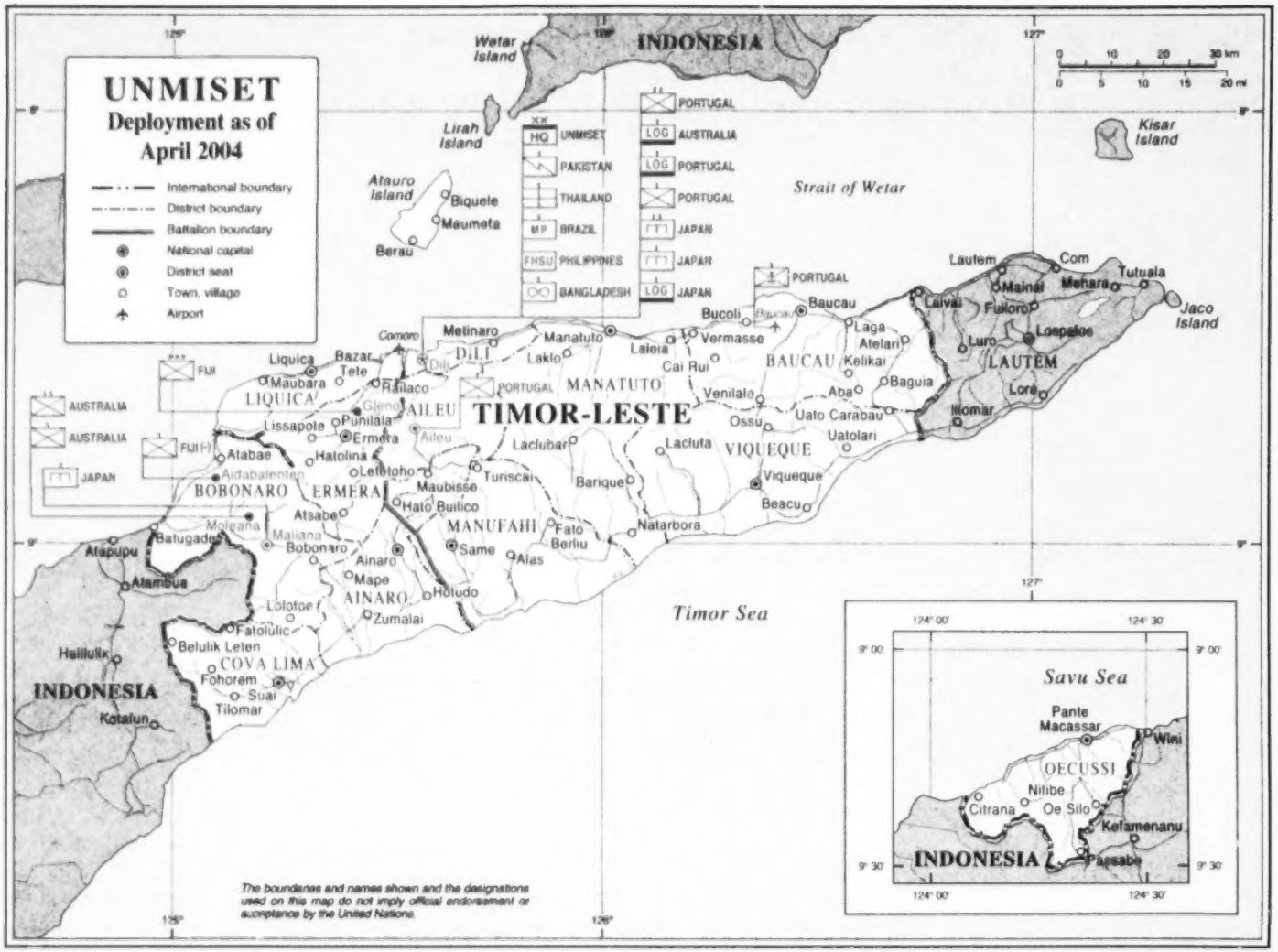
Annex IV

United Nations Mission of Support in East Timor: civilian police and military strength

(as at 1 April 2004)

	Civilian police	*Troops*	*Military Observers*	*Total*
Argentina	1	-	-	1
Australia	21	307	7	335
Bangladesh	9	34	2	45
Bolivia	-	-	2	2
Bosnia and Herzegovina	5	-	-	5
Brazil	5	58	11	74
Canada	7	-	-	7
China	16	-	-	16
Denmark	-	-	2	2
Fiji	-	189	-	189
Ghana	5	-	-	5
Ireland	-	1	-	1
Japan	-	378	-	378
Jordan	-	-	4	4
Kenya	-	-	2	2
Malaysia	133	6	10	149
Mozambique	-	-	2	2
Nepal	3	4	3	10
New Zealand	-	3	4	7
Niger	1	-	-	1
Norway	2	-	-	2
Pakistan	9	74	5	88
Philippines	16	41	7	64
Portugal	19	518	1	538
Republic of Korea	-	3	-	3
Russian Federation	1	-	2	3
Samoa	4	-	-	4
Serbia and Montenegro	-	-	2	2
Singapore	-	3	-	3
Spain	5	-	-	5
Sri Lanka	6	-	-	6
Sweden	1	-	2	3
Thailand	-	47	6	53
Turkey	1	-	1	2
Ukraine	3	-	-	3

	Civilian police	*Troops*	*Military Observers*	*Total*
United Kingdom of Great Britain and Northern Ireland	4	-	-	4
United States of America	17	-	-	17
Uruguay	-	-	2	2
Zambia	3	-	-	3
Zimbabwe	5	-	-	5
Total	**302**	**1 666**	**77**	**2 045**



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